

SUMMARY

Annual Action Programme 2019 in favour of Tajikistan for 'Rural Development Programme II' to be financed from the general budget of the Union

1. Identification

Budget heading	21.020300
Total cost	EUR 59 million of EU contribution This action is co-financed in parallel co-financing by: - DE-BMZ for an amount of EUR 9 000 000 - Grantees co-financing for an amount of EUR 2 000 000
Basic act	Regulation (EU) No 236/2014 of 11 March 2014 Regulation (EU) No 233/2014 of 11 March 2014

2. Country background

This Annual Action Program covers Tajikistan's rural development sector, with a focus on improving rural livelihood by supporting the climate-resilient development of rural communities and by promoting sustainable agriculture and management of natural resources.

Tajikistan is a country of stark contrasts - physical, economic and social. These include glaciated mountains alongside fertile valleys, vast hydropower resources but electricity shortages, huge remittance inflows but low foreign exchange reserves, and robust GDP growth but high rates of poverty. In July 2017, food insecurity affected 10-45% of the population depending on the region, with highest prevalence observed in May 2017.

Tajikistan is one of the poorest countries in Central Asia even with a GDP growth of 7.1% in 2017¹ and its economy is fragile and highly vulnerable to external shocks, with a dependency on few export commodities. In 2017, poverty was at 29.7 % the highest poverty rate of the region. The Government aims at reducing the poverty rate to 20% by 2020. Women face a greater risk of extreme poverty than men within the every age group, and the gap is widest at pension age: analysis of poverty rates by sex of the household head also indicates that women-led households are considerably more at risk of extreme poverty (FAO, 2016). The poverty rate varies between urban areas (24%) and rural areas (35%) indicating strong economic disparities.

¹ <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TJ>

3. Summary of the action programme

1) Background

Within Tajikistan's economic landscape, agriculture is a vital sector contributing about one quarter of the GDP and employing about half of the country's labour force, almost two thirds being women (WB 2017).

The **rural economy** suffers from insufficient investment, poorly developed infrastructure, limited access to finance (in particular for women), weak value chains, a lack of business skills, declining levels of education, and an undeveloped SME sector. Tajikistan faces severe challenges in relation to soil degradation such as erosion, swamping, deforestation and salinization. These problems are both due to climate change and man-made factors.

The **private sector** faces challenges, among them a low level of investment and advocacy structures and thus incapable to sustain an agriculture production diversification moving away from the main cash crop. Furthermore, there is still a high level of state interference into private sector activities compounded by an uncertain tax regime, lack of unified interpretation of tax regulations and practice of retrospective amendments to the Tax Code.

The **banking sector** suffers from poor liquidity, poor controls and low profitability. Interest rates in the agricultural sector are very high (from 25% to >30%) and there is a lack of medium and long term credit for *dehkan* (mid-size) farmers and agro processors. Banking institutions are also reluctant to lend to the agriculture sector due to their lack of capacity to develop loan products and assess client risk.

The implementation of the **reform of the water sector** requires institutional and legislative reinforcement at national and regional level based on the principles of Integrated Water Resources Management (IWRM) adopted in 2015 by the national authorities in its reform programme of the water sector.

2) Cooperation related policy of beneficiary country

Tajikistan's National Development Strategy (NDS) for the period 2016-2030 identifies as priorities 'sustainable economic growth', 'expanding access to basic social services', 'improving food security and nutrition', and 'reducing poverty'. While Tajikistan has not yet developed an integrated Rural Development strategy, and responsibilities in the sector are distributed between numerous institutions, several policy frameworks and programmes were adopted in the areas of private sector-led agriculture growth.

At the end of 2015 Government adopted the "Water Sector Reform Programme", by reorganising the water sector in line with Integrated Water Resources Management (IWRM) principles, based on hydrological boundaries. A Water Strategy is under development, with the support of the EU under the first phase of the Rural Development Programme (RDP I) currently ongoing.

On nutrition, Tajikistan joined the Scaling Up Nutrition Movement in September 2013 and with Technical Assistance (funded by DFID) is developing a multi-sector nutrition plan of action based on the recently generated Common Results Framework for Nutrition 2018-2022.

3. Coherence with the programming documents:

The proposed Action is in line with the first priority sector identified in the Multiannual Indicative Programme for Tajikistan for the period 2014-2020²: 'Regional Sustainable Development', as revised following the mid-term review³.

² C(2014)5667 of 12.08.2014

³ C(2018) 4741 of 20.7.2018

4. Identified Actions

The **overall objective** (expected impact) is to improve livelihood in rural areas.

The **specific objectives** per component are:

Objective 1 - **to boost the added value of agricultural production.**

Objective 2 - **to improve the management of natural resources.**

Objective 3 - **to promote sustainable and efficient use of water.**

5. Expected results:

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 1 (No poverty), while also contributing to SDG 2 (Zero hunger), SDG 8 (Decent work and economic growth), and SDG 13 (Climate action).

At farm level, intensification of production along with promoting proper production technologies and compliance to standards is expected to result in higher income - which in turn will contribute to a better livelihood and have an immediate effect on reducing rural poverty. In addition, as climate change puts at risk the livelihoods of rural people, the management of natural resources, including water, is expected to support their resilience. Specific actions will combine support at the institutional level in devising, implementing and coordinating rural development policies with targeted interventions at field level, thus stimulating agriculture productivity through sustainable production practices. When it comes to women's empowerment, the programme will specifically target women who are de facto the main economic operators in the rural parts of the country.

6. Past EU assistance and lessons learnt

Rural development in Tajikistan is one the priorities of the EU and Member States, which are implementing related actions at the national level. Past and ongoing EU assistance in Tajikistan includes the Rural Development Program I and Enhanced Competitiveness of Tajik Agribusiness (ECTAP); the proposed action builds on the achievements and lessons learnt from these programs. More concretely, the following issues have been identified in previous evaluations and monitoring reports, and have been addressed in the design of the proposed action.

Policy harmonization: Improved integration of sectoral policy making and enhanced feedback from the field are needed to improve reform implementation. A core technical and administrative structure is necessary to develop synergies between sector policies, to reinforce institutional coordination, and to improve budget allocation mechanisms.

Agriculture: a longer timeframe and increased financial resources are needed to ensure the sustainability of the actions. A flexible grant mechanism supporting credits and investments addressing value chain bottlenecks constitutes an effective tool to increase productivity. Knowledge and innovation have been highlighted as key to increase productivity as well together with linking to processing companies which secure higher volume of producer sales.

Natural Resources management: The protection of natural resources currently ongoing through two grants under RDP I in the selected basin of Zarafshan already demonstrated excellent results, as reported by the mid-term evaluation of RDP I and ECTAP.

Water Management: Donors active in the different river basins contributing to IWRM implementation confirm that the dual approach of Technical Assistance to achieve meaningful reforms and institution building needs to be combined with physical investments (rehabilitation of irrigation and drainage infrastructures) to ensure the success of the process.

7. Complementary actions/donor coordination.

GIZ implements on behalf of the German government three projects in the relevant sector. In particular, the Project supporting competitiveness of micro, small and medium enterprises in selected agricultural value chains, will be extended by the RDP II programme and it already secured additional funding (EUR 9M) from the German government. The German Cooperation funds several regional programmes on sustainable Land use, Forest Management (including reforestation), Biodiversity preservation, and Trade Facilitation. It also funds the pasture management platform in Tajikistan which originated in an earlier EU funded programme FLERMONICA. The GIZ/DFID project on private sector development (2011-2016, GBP 19 million) and the World Bank project on agriculture commercialization (2016-2021, USD 26 million) focus on improving the performance of selected value chains.

The water sector is supported by various donors in different river basins – ADB in the Pyanj basin, SDC in the Syr Darya basin, and the World Bank (USD 49.5 million) in the Kafarnighan basin. RDP II, along with RDP I, will complement these actions by reinforcing and establishing IWRM institutions in other key basins: Zarafshan and Vakhsh.

USAID works on improving the legal framework for WUAs and establishing a national WUA organisation. This will be a good opportunity for cooperation with RDP II in particular in the Zarafshan and Vakhsh basins, reinforcing gender equality in access to irrigation water.

Coordination amongst donors is ensured through the Development Coordination Council (DCC), under which a Cluster is dedicated to Natural Resources.

4. Communication and visibility

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

5. Cost and financing

Annual Action Programme in favour of Tajikistan for 2019	
‘Rural Development Programme II’	59 000 000
Total EU contribution to the measure	59 000 000



EN

This action is funded by the European Union

ANNEX

of the Commission Implementing Decision on the financing of the Annual Action Programme in favour of Tajikistan for “Rural development Programme II” for 2019

Action Document for ‘Rural Development Programme II’

<p style="text-align: center;">ANNUAL PROGRAMME</p> <p>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme in the sense of Articles 2 and 3 of Regulation N° 236/2014.</p>		
1. Title/basic act/ CRIS number	Rural Development Programme II - CRIS number: ACA/2019/039-951 financed under Development Cooperation Instrument	
2. Zone benefiting from the action/location	<p>Central Asia, Tajikistan</p> <p>The action shall be carried out at national level (the whole territory of Tajikistan) and at local levels (Sughd region, Khatlon region, Districts of Republican Subordination)</p>	
3. Programming document	Multi-annual Indicative Programme (2014-2020) ¹ , which has been amended following the mid-term review ²	
4. SDGs	<p>Main SDG goal: Goal 1: No poverty</p> <p>Secondary SDG goals: Goal 2: Zero hunger, Goal 8: Decent work and economic growth, Goal 13: Climate action.</p>	
5. Sector of intervention/ thematic area	Priority Sector 3: Rural Development	DEV. Assistance: YES
6. Amounts concerned	<p>Total estimated cost: EUR 70 000 000</p> <p>Total amount of EU budget contribution EUR 59 000 000</p> <p>This action is co-financed in parallel co-financing by:</p> <p>- DE-BMZ for an amount of EUR 9 000 000</p>	

¹ C(2014)5667 of 12.08.2014

² C(2018) 4741 of 20.7.2018

	- Grantees co-financing for an amount of EUR 2 000 000			
7. Aid modalities and implementation modalities	Project Modality - Direct management through grants - Indirect management with GIZ, the World Bank			
8 a) DAC code(s)	43040 – Rural Development – 100%			
8 b) Main Delivery Channel	44000 - World Bank Group 21000 – International NGOs 13000 – Third Country Government (Delegated co-operation) -GIZ			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality (including Women in Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	X	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input type="checkbox"/>	X
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	X
	10. Global Public Goods and Challenges (GPGC) thematic flagship	N/A		

SUMMARY

The 2014-2020 Multi-Annual Indicative Programme governs EU actions in Tajikistan and has provisioned EUR 100 million (following the mid-term review) in support to Rural Development. The first phase of the Rural Development Programme (RDP I) is currently being implemented. The second phase of the programme (RDP II) builds on and extends the activities of the first phase to improved rural livelihood by supporting the climate-resilient development of rural communities and by promoting sustainable agriculture and management of natural resources.

The present programme has three components consistently articulated to contribute to the overall objective of improving rural livelihood:

Component 1 - to boost added value of agricultural production - will develop a performant (productivity gains) and sustainable (environment-friendly) agriculture through increased investment and innovation in the value chains.

Component 2 - to improve management of natural resources - will support rural livelihood by contributing to the reduction of food and nutrition insecurity of rural populations relying on fragile ecosystems. Both components 2 and 3 will promote climate-resilient production models

Component 3 – to promote sustainable and efficient use of water - will contribute to mitigate rarefaction of water resources whose regular supply is essential for agriculture and sanitation. This will be done by improving management of water (better techniques and governance) and reducing losses (rehabilitated infrastructure)

The programme is coherent as it targets both institutional and technical levels. The institutional part of the assistance will enhance capacity for targeted policy development and stimulate horizontal coordination between relevant institutions. It will also reinforce transmission to policy makers of information acquired at farm/community level for a better understanding of the specific problems faced by poor rural communities. This will lead to policy making and implementation more conducive to agrarian reform.

Technically the programme will work at farm/community level to promote sustainable agriculture towards better income of dehqan farmers, smallholders and rural operators' part of the value chains. It will also improve the management of natural resources including water to sustain production means and improve resilience to climate change and natural disasters.

Both levels of intervention and their components are linked and interdependent: a sound policy environment will make reform more efficient whereas improved performance of agriculture will contribute to rural development and poverty alleviation.

1. CONTEXT ANALYSIS

1.1. Context Description

More than two thirds of Tajikistan is covered by mountains, and 50% of the land is more than 3,000 m above sea level. An estimated 33% of territory is agricultural land, of which 19% is arable (around 900,000 ha), 3% perennial crops (orchard and vineyard) and 78 % rangeland. More than 70% of the population lives in rural areas. Tajikistan is a country of stark contrasts - physical, economic and social. These include glaciated mountains alongside fertile valleys, vast hydropower

resources but *electricity* shortages, huge remittance inflows but low foreign exchange reserves, and robust GDP growth but still high rates of poverty³. The World Food Programme (WFP) reported that in July 2017, food insecurity affected between 10 and 45% of the population depending on the region, with highest prevalence observed in May 2017. WFP also indicates that in 2017 the majority of the population spent 70-80% of their income on buying food. Tajikistan has very poor nutrition indicators too including various forms of undernutrition (stunting, wasting and micronutrient deficiencies) as well as rising overweight and obesity.

Tajikistan's economy is fragile and highly vulnerable to external shocks, with a dependency on few export commodities. The country's exports are dominated by aluminum (61.5%) and cotton (16.7%). The economy grew by 7 % in 2017. Yet in 2017 poverty was at 29.7 % the highest poverty rate of central Asia (with 3.7 % of the population on less than \$1.90 a day, according to the Asian Development Bank). Women face a greater risk of extreme poverty than men within the every age group, and the gap is widest at pension age: analysis of poverty rates by sex of the household head also indicates that women-led households are considerably more at risk of extreme poverty (FAO, 2016). The poverty rate varies between urban areas (24%) and rural areas (35%) indicating strong economic disparities. The Government of Tajikistan aims at reducing the poverty rate to 20% by 2020. Remittances sent by over 800.000 migrant workers in Russia and Kazakhstan account for an enormous portion of the GDP (31.6% in 2017 as reported by the World Bank) and are a major source of income for rural households.

Within Tajikistan's economic landscape, agriculture is a vital sector contributing about one quarter of the GDP and employing about half of the country's labour force, almost two thirds being women (WB 2017). The rural economy suffers from insufficient investment, poorly developed infrastructure, limited access to finance (in particular for women), weak value chains, a lack of business skills, declining levels of education, and an undeveloped SME sector. Tajikistan faces severe challenges in relation to soil degradation such as erosion, swamping, deforestation and salinization. These problems are both due to climate change and man-made factors. In view of climate warming and increased evaporation, water needs for irrigation of basic agricultural crops are likely to increase progressively by 20-30 percent compared to present climate conditions (WFP review 2017).

The private sector faces major challenges in rural Tajikistan affected by a low level of investment and advocacy structures and thus incapable to sustain an agriculture production diversification moving away from the main cash crop (cotton with a share of the total agricultural output of 6.3% - FAO statistics). The recent decision of Russian authorities concerning mandatory certificates for food imports into Russia causes a risk for Tajik farmers of losing the existing low segment niche in the Russian market. In Tajikistan, there is still a high level of state interference into private sector activities compounded by an uncertain tax regime, lack of unified interpretation of tax regulations and practice of retrospective amendments to the Tax Code.

The banking sector suffers from poor liquidity, poor controls and low profitability. Interest rates in the agricultural sector are very high (from 25% to >30%) and there is a lack of medium and long term credit for dehkan (mid-size) farmers and agro processors. Banking institutions are also reluctant to lend to the agriculture sector due to their lack of capacity to develop loan products and assess client risk. All actors of the value chains report difficulties accessing credit and investment. Alternative financing mechanisms are not well developed. Due to unstable policy regulations, the level of domestic investment is very low - therefore, the remittances that could have been used as investments are mainly used for consumption.

³<http://documents.worldbank.org/curated/en/294261468339630573/pdf/863720CAS0P146010Box385211B00OUO090.pdf>

Irrigation and drainage infrastructures are in poor condition: 47% of the area equipped with irrigation infrastructures fell into disrepair since the break-up of large state farms, leading to inappropriate irrigation distribution. Water supply for domestic use and sanitation in rural areas has also fallen into disrepair and water quality deteriorated over the past 25 years, especially at the village level.

The implementation of the reform of the water sector requires institutional and legislative reinforcement at national and regional level based on the principles of Integrated Water Resources Management (IWRM) adopted in 2015 by the national authorities in its reform programme of the water sector.

1.2. Policy Framework

There is good coherence between the New European Consensus on Development and the Action. The Consensus identifies sustainable agriculture as one of the key drivers for poverty eradication and sustainable development and is indispensable for ending hunger and ensuring food security. The Consensus also confirms that the EU and its Member States will support the poorest communities in improving access for all to land, food, water, and clean, affordable and sustainable energy, while avoiding any damaging effects on the environment. The Action is in line with the EU Gender Action Plan 2016-2020 and the EU's Joint Communication on Resilience. Moreover, The Action is in line with the EU's Multi-Annual Indicative Programme for Tajikistan 2014-2020 and the EU's global policy framework for addressing undernutrition which promotes a multi-sector approach at country level. Public Policy Analysis of Tajikistan

1.3. Public Policy Analysis of the partner country/region

The MIP aligns to the National Development Strategy (NDS) for the period 2016-2030 which is Tajikistan's principal strategic document. The priorities identified are sustainable economic growth, expanding access to basic social services, improving food security and nutrition and reducing poverty. It has three key priorities, namely: (I) improving public administration, (II) developing the private sector and attracting investment, and (III) developing human potential. Tajikistan has not yet developed an integrated Rural Development strategy, and responsibilities in the sector are distributed between numerous institutions and sectoral strategies are not harmonised.

Adopted by the Government of Tajikistan in September 2012, the "Agrarian Reform of the Republic of Tajikistan" puts emphasis on private sector-led agriculture growth. It focuses on the development of value chains from producers to consumers. Similar provisions are outlined in additional policy frameworks, for example the Import Substitution or the Export Promotion Policy. However, clear-cut implementable roadmaps for implementation including the sources of financial and technical contribution are missing.

At the end of 2015 Government of Tajikistan adopted the "Water Sector Reform Programme", by reorganising the water sector in line with Integrated Water Resources Management (IWRM) principles, based on hydrological boundaries. A Water Strategy is under development, with the support of the EU under the first phase of the Rural Development Programme (RDP I) currently ongoing. Tajikistan's Nationally Determined Contributions (NDC) also highlights the importance of water resources management as key to adapt to climate change. Often policy-making is not followed by actual policy implementation and the pace and depth of reforms' implementation is closely linked to donor technical support and funding.

On nutrition, Tajikistan joined the Scaling Up Nutrition Movement in September 2013 and with Technical Assistance (funded by DFID) is developing a multi-sector nutrition plan of action based on the recently generated Common Results Framework – CRF - for Nutrition 2018 – 2022.

Regarding gender in 2005, Tajikistan adopted the Law on State Guarantees of Equal Rights and Opportunities for Men and Women, which is the only law to define the concepts of gender and sex-based discrimination. A national gender policy was passed in 2010 - the National Strategy for Enhancing the Role of Women in the Republic of Tajikistan - which lists concrete actions to improve women's participation in education, the labour market, entrepreneurship, and in politics. Furthermore, the government has made significant progress in mainstreaming gender into national socioeconomic development strategies, beginning with the adoption of the Poverty Reduction Strategies for the Republic of Tajikistan for 2007–2009 and 2010–2012. These strategies and the Living Standards Improvement Strategy for 2013–2015 and National Development Strategy for 2030 all dedicate chapters to gender equality as a component of developing the country's human potential

1.4. Stakeholder analysis

Stakeholders at the central level.

Within the water sector there are four key government organisations: MoEWR, the Agency for Land Reclamation and Irrigation (ALRI), the Committee for Emergency Situations (CoES), and the Committee for Environmental Protection (CEP). MoEWR has policy and regulation functions. ALRI is responsible for the operation and maintenance of water services facilities. The CoES is responsible for emergency preparedness and response, including floods and landslides. The CEP is responsible for water permits and licensing, and has a supervisory role for environmental protection, including water resources. Moreover, the Committee for Women's and Family Affairs (Women's Committee) operates 110 regional information-consultation and crisis centres throughout the country, funded through local budgets. A network for gender mainstreaming also links seven ministries and agencies, including the Women's Committee.

The agrarian reform is under the supervision of the Committee for Regional Development and of the Presidential Council for Improved Investment Climate. Implementation of the reform is under the responsibility of MoA. Within MoA the Agricultural Reform Secretariat will be instrumental in linking with Government of Tajikistan for executive support of the agrarian reform and in coordinating donor support to the reform. The Secretariat of Food Security Council and the Department of Agrarian Policy and Food Security Monitoring under MoA are currently established with the support of RDP I. Those structures will be essential for implementing and monitoring the food security programme part of the agrarian reform. The Statistics Agency feeds policy making but has weak capacity in sampling methods and reporting. Capacity building is ongoing under RDP I and will be continued under component 1. The Committee for Food Security under Government of Tajikistan (set up in January 2018) performs controlling and permitting functions established in the field of veterinary, phytosanitary and plant quarantine, plant protection, seed production and breeding. It will therefore be involved under component 2 for the improvement of quality and safety standards.

Stakeholders at the regional level

The participation of local executive authorities at provincial (oblast), district (rayon) and municipal (jamoat) will be essential for mobilising rural communities and ensuring their cooperation with the programme (under component 3). They will also have to assume ownership of local development plans supported under component 1, 2 and 3. There is an insufficient integration of national policies (in particular, related to agriculture, water and natural resources, as well as private sector development) into regional and local strategic development processes. Also fiscal relations between central and local government need to be improved to support economic development in the

regions. It will be important to finalise the distribution of functions and responsibilities among central and regional authorities. Discrepancies in reform implementation are often related to a dual subordination of local departments, for instance departments of agriculture, departments of investments, etc.

One of the main problem highlighted is the lack of capacity of institutions as duty bearers. The implementation phase will be preceded by a robust analysis of their capacities in order to ensure complementarity and coordination.

Final beneficiaries of the programme:

- Private farmers, agribusiness and food processors, with particular emphasis on women who are in the lowest income categories and affected by their limited access to non-farm employment opportunities. They will be targeted by component 2
- Rural communities at jamoat level: they have set up formal management structures that consolidate citizens for solving social and economic problems of special importance for a certain territory. They will benefit from the assistance of the programme to build resilience and generate income under component 3
- Water User Associations (WUA) at community level and watershed communities as essential partners in river basin management (component 4). Special attention will be given to creating inclusive WUA and promoting women's membership and role in WUA leadership and decision making, and ensuring that no-one is left behind, when it comes to training and capacity building of farmers and access to and fair distribution of irrigation water.

1.5. Priority areas for support/problem analysis

Rural and environmental policies are inadequately defined and poorly and insufficiently implemented. This is due to a lack of institutional capacity for targeted policy development and a limited understanding of the specific problems faced by poor rural communities. This deficiency is reinforced by limited horizontal coordination between relevant institutions.

Tajikistan is the most vulnerable country to climate change in the region. Tajikistan's national communication to the UNFCCC highlights the potential to adapt to climate change through good planning and the application of relevant technologies to reduce the burden on critical water and land resources. Permanent pasture and meadows suffering from overgrazing due to non-rotational pasture management and animal husbandry. This results in land degradation, soil erosion and destabilisation of bed and river banks, aggravated by consequences of natural disasters (mudflows, landslides and floods) and exacerbated by climate change. Taking into consideration the demographic dynamics, by 2030 the population shall increase by 30%, mostly in the rural areas - therefore the pressure on available agricultural land shall increase as well furthermore, inadequate agricultural practices are leading to massive soil degradation. Similar trends are observed in the livestock sub-sector. Inadequate veterinary supervision leads to the development of zoonotic diseases, such as TB, brucellosis etc.

The most recent data indicate that around one in four of children under five years are stunted (288,000), with one in ten suffer from acute malnutrition/wasting (106,000) and with a very high proportion being severely wasted. At the same time, 7% of all children under five are overweight (71,000) with around half of all adult women overweight or obese and almost one in three anemic. Current diets are high in sugars and saturated fats, and poor in mineral-rich fruits and vegetables. (FAO, 2014).

The development of the agricultural sector is not only a question of food security but the cornerstone of a sustainable economic development. Agribusiness value chains in Tajikistan are fragmented and disjointed due to low levels of farm production, a lack of raw materials and technology for processors and limited access to markets and credit. Production practices need to be

improved including the management of farm businesses. Post-harvest losses are significant due to low or non-existent appropriate technology and a lack of good storage facilities. Finally, the quality, certification, marketing, packaging and branding of Tajik products is weak. Expanding the value chain approach adopted under RDP I will help to overcome these obstacles.

Deteriorated irrigation infrastructures cause insufficient and unreliable water delivery. Investments in primary and secondary irrigation infrastructure are needed to limit its continuous degradation and adjust it to small-scale farming. This should be accompanied by strengthening water management institutions (MoEWR, ALRI, WUAs) at national and basin levels, as their capacity to implement reforms is still weak.

There are gender barriers to women's leadership of dehqan farms, access to land and, access to credit, participation to farmers groups, extension services and WUAs due to their lower levels of education, lack of training and agricultural knowledge, and traditional perceptions of women's capacity and leadership abilities. The programme will therefore compel implementing partners and duty-bearers to take up relevant gender objectives and affirmative actions to address women's rights to services and inclusion in decision making bodies and project benefits on equal terms with men (there is a changing role for women in the household as a result of male migration, women have to manage household).

2. RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
Political and civil Instability	L	Monitor the political and economic situation and adapt the programme strategically.
Climate change impact and disaster risk vulnerability.	M	The programme will use up-to-date information, acquired by the Geo-Hazard management project from the WB and by the Pilot Program for Climate Resilience funded by the Climate Investment Fund, on floods, drought or food security changes. Strengthen WUA and local irrigation water and disaster preparedness and ensure that duty-bearers at all levels improve availability, accessibility, acceptability/ affordability and quality irrigation and disaster emergency services to all.
Lack of Government of Tajikistan commitment to reforms.	M	A Steering Committee mechanism, involving senior Government of Tajikistan officials at project level, provides a good platform for negotiation to secure maximum commitment. Lessons learnt from past programmes will be taken up for policy dialogue between the DCC (Development Coordination Council) and the Government.
Financial fraud, corruption or funds not being used for planned purposes	L	Control procedures by the contracting authority (expenditure verification, audit) ensuring sound financial management Encourage proper enforcement of relevant national legal provisions
Inconsistency in policies, laws, and regulations that adds significantly costs of doing business and discourages investment	M	Assessment - together with OECD – of the gaps and contradictions in policies, laws and regulations regarding rural development. This has to be followed by the integration in policy documents of corrective measures such as advising on simplified administrative procedures, on a more conducive tax system, and on reinforcing advocacy of economic operators

Conflict on land use between communities	M	Enforcement by local authorities of land management and use through watershed development plans including Disaster Risk Reduction (DRR) measures; improved collaboration and decision making sharing between duty-bearers and WUAs
Potential risks / unintended negative impacts linked with Human Rights, such as increased land and water grabbing; violence against women (entrepreneurs/farmers)	L	Legal / rights education and gender sensitization training as part of any capacity building
Lack of qualified persons in beneficiary institutions to be trained and difficulty of retaining trained staff.	M	Support of general Public Policy Reform and improved in-service and inclusive training for government staff
Social traditions limiting empowerment of women	M	Support women advocacy groups and integrate women in the decision making process as specific rights-holders
Restrictions and other practices that discourage transboundary trade, lack of cross border communication on trade	M	Policy dialogue at national level. Governments intervention on securing the establishment of the bilateral commissions for enhancing transboundary trade
Unprofitability of agriculture continues to generate emigration	M	Policy dialogue at Development Coordination Council (DCC) level to improve overall environment for successful implementation of agricultural and rural development programmes
Price variations of commodities	M	Supply market information to the producers via the extension services and reduce seasonability of production which should mitigate price variation for producers and processors
Assumptions		
Political and economic stability will continue favouring rural economic growth and extreme effect of natural disaster and climate change will not occur. Rural development though the implementation of the agriculture and water sector reforms will remain a priority in the agenda of Government of Tajikistan.		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

Policy harmonization: Result-Oriented Monitoring (ROM) organised at programme level indicates that improved integration of sectoral policy making and enhanced feedback from the field are needed to improve reform implementation. A core technical and administrative structure (Working Group) is necessary to develop synergies between sector policies, to reinforce institutional coordination, and to improve budget allocation mechanisms.

Agriculture: The 2017 ROM report and the recent evaluation of RDP I and ECTAP programme (in support of selected value chains) show that that a longer timeframe and increased financial resources are needed to ensure the sustainability of the actions. ECTAP evaluation demonstrated that a flexible grant mechanism supporting credits and investments addressing value chain bottlenecks is an effective tool to increase productivity. Knowledge and innovation have been

highlighted as key to increase productivity as well together with linking to processing companies which secure higher volume of producer sales

Natural Resources management: The protection of natural resources (water, arable land, pastures) currently ongoing through two grants under RDP I in the selected basin of Zarafshan already demonstrated excellent results, as reported by the mid-term evaluation of RDP I and ECTAP.

Water Management: Donors active in the different river basins contributing to IWRM implementation confirm that the dual approach of TA to achieve meaningful reforms and institution building needs to be combined with physical investments (rehabilitation of irrigation and drainage infrastructures) to ensure the success of the process.

3.2.Complementarity, synergy and donor coordination

GIZ implements on behalf of the German government (BMZ) three projects in the relevant sector. In particular the Project "Towards Rural Inclusive Growth and Economic Resilience (TRIGGER)" supporting competitiveness of micro, small and medium enterprises in selected agricultural value chains, will be extended by RDP II programme and it already secured additional funding (EUR 9M) from the German government; The Regional Trade Facilitation in Central Asia (TFCA) that is focused on ensuring compliance with international standards to facilitate the access to export markets, improving the procedures and processes at the borders, cooperating with the Customs Agencies in the region. The German Cooperation funds several regional programmes on sustainable Land use, Forest Management (including reforestation), Biodiversity preservation, and Trade Facilitation. It also funds the pasture management platform in Tajikistan which originated in an earlier EU funded programme FLERMONICA. The GIZ/DFID "Framework and Finance for Private Sector Development Project" (2011-2016, GBP 19 million) and the World Bank "Agriculture Commercialization Project for Tajikistan"(2016-2021, USD 26 million) focus on improving the performance of selected value chains.

The water sector is supported by various donors in different river basins – ADB in the Pyanj basin, SDC in the Syr Darya basin, and the World Bank (USD 49.5 million) in the Kafarnighan basin. RDP II, along with RDP I, will complement these actions by reinforcing and establishing IWRM institutions in the Zarafshan and Vakhsh basins.

The USAID works on improving the legal framework for WUAs and establishing a national WUA organisation. This will be a good opportunity for cooperation with RDP II in particular in the Zarafshan and Vakhsh basins, reinforcing gender equality in access to irrigation water.

Coordination amongst donors is ensured through the Development Coordination Council (DCC) under which a Cluster is dedicated to Natural Resources, gathering two separate Working Groups on Agriculture and Land, and Water and Climate Change (the last one is chaired by the EU).

4. DESCRIPTION OF THE ACTION

4.1. Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** (expected impact) of the Rural Development Programme II is to improve livelihood in rural areas. The Programme has 3 interrelated components, each of them corresponding to one of the specific objectives.

The **specific objectives** per component are:

1. to boost the added value of agricultural production (component 1)
2. to improve management of natural resources (component 2)
3. to promote sustainable and efficient use of water (component 3)

The **expected outputs** per specific objective are:

SO 1:

- Selected value chains are enhanced
- Extension professionals are trained to promote innovation and climate-resilient practices in the farming sector
- Rural operators benefit from financial grants or access to credit
- District development plans are improved
- Sector policies for rural development are implemented under a harmonised global framework (including national policies and targets on gender equality and women's empowerment)
- National and local administrations have an improved capacity for policy-making and implementation (relevant for SO3too)

SO 2:

- Sustainable production practices are promoted among rural communities
- Watershed management plans under IWRM are prepared
- Communities are advised for improved diet balance
- Access to safe drinking water is improved

SO 3:

- IWRM institutions are established in selected basins
- Capacity building in IWRM planning, implementation and regulation is delivered
- Irrigation and drainage infrastructure are rehabilitated
- Measurement equipment is installed

Indicative activities

Outputs under SO 1

- Select farmers (including 50 % of women) associated in producer groups in the programme (Khatlon and Sughd oblasts);
- Establish demonstration fields (demo plots) of good and environmentally-sustainable practices in selected value chains;
- Strengthen services and profitability of local consulting companies, private agronomists and local extension professionals, as well as food safety/quality control laboratories/institutions, along with support to better compliance with production standards;
- Support sustainable value chains with attention to increasing market opportunities, including export and cross border trade;
- Support an equal number of female and male farmers and agro-processors in business management/planning, marketing strategies and credit applications;
- Select beneficiaries of a grant scheme for small scale projects (currently implemented under the TRIGGER programme) to assist in production, processing and marketing including selection criteria that promote environmental sustainability and resource efficiency; ensure min. 50% women's participation;
- Increase equal access to and delivery of extension services (advice on crop technology, machinery, farm inputs, financial literacy, management capacities, climate smart practices); promote gender balance among extension workers and service providers;
- Deliver capacity development on environmentally sustainable and climate smart and inclusive agricultural practices, as well as in cleaner production techniques and processes; replicate successful best practice of previous projects where applicable.
- Analyse local economic development plans, advise on possible improvements, and support (resources, governance) their implementation in the Khatlon and Sughd oblasts;

- Integrate national policies (in particular, related to agriculture, water and natural resources, climate change as well as private sector development) into regional and local strategic inclusive and gender responsive development processes;
- Identify and propose solutions to address public finance management issues, enabling proper costing/budgeting and actual implementation of the local development plans;
- Review intragovernmental fiscal relations and central vs. local government roles and responsibilities in rural development policies, as well as support Government of Tajikistan efforts in optimising these policies at the local level;

Outputs under SO 2

- Support the integration of principles and mechanisms of sustainable natural resource management into the planning and implementation of all local authority and community-based initiatives;
- Support the implementation of local (district level) and participatory economic development plans (building on regional economic development plans to be developed under component 1) to improve Public Financing Mechanisms;
- Support Community-based Organisations in adopting sustainable and inclusive rural development practices
- Support the preparation and implementation of integrated watershed development plans. Liaise with component 1 for integrating them in district development plans;
- Identify and implement Disaster Risk Reduction measures in coordination with the local communities and authorities (flood control, soil conservation, early-warning procedures, and allocation of budget resources), and explore the potential for eco-friendly DRR measures (nature-based) solutions that will also have an added value on addressing biodiversity and land degradation;
- Improve access to safe drinking water systems (part of the watershed development plans);
- Promote actions at community level aiming at change of dietary behaviour to improve nutrition status of children and women (part of the watershed development plans);
- Identify and address gender inequalities in access to water, energy, land, forest, land's property rights, crop allocation (cash-subsistence), division of labour and credit.

Outputs under SO 3

- Put into operation the RBO and RBC in the Zarafshan basin (those activities are currently supported under RDP I);
- Set up an RBO and an RBC in the Vakhsh basin, including staff capacity building, and elaboration of a river basin management plan;
- Improve the capacity of MoEWR and ALRI to regulate, control and support at central and (sub) basin level the implementation of river basin planning and management systems, integrating climate resilience into planning and management;
- Elaborate policy issues which address water and land in cooperation with MoA through cooperation with component;
- Supply and install measurement equipment and software enabling modelling and management of water flows in 2 basins: Vakhsh and Zarafshan;
- Redesign and rehabilitate irrigation systems, aiming for water management efficiency and effective land use in selected valleys of the Zarafshan and Vakhsh basins, favouring gravity

and high efficiency irrigation equipment, as models for national deployment, thereby reducing water collection chores often imposed on women and girls;

- Strengthen economic and technical sustainability of the WUAs, while ensuring women's access and participation in decision making bodies (WUA committees) and the rights of women and girls to access irrigation water;
- Assist the MoEWR in developing the implementing regulations and other necessary documents of the Water Strategy

4.2. Intervention logic

The planned impact of the programme is the improvement of rural livelihood. A key lesson learned is that an integrated framework supporting rural development has to be established at policy level to reach this objective. At farm level, intensification of production along with promoting proper production technologies and compliance to standards shall ensure better income - which in turn will contribute to a better livelihood. In addition, as climate change puts at risk the livelihoods of rural people who are already impacted by high levels of poverty, the management of natural resources including water must be improved to support their resilience. Actions will combine support at the institutional level in devising, implementing and coordinating rural development policies with interventions in the field stimulating agriculture productivity through sustainable production practices.

The programme has three components contributing to the three outcomes mentioned under par. 4.1. and in the logical framework, all of them contributing to the overall objective/expected impact of the programme to improve rural livelihood.

1st outcome: added value of agricultural production is increased

2nd outcome: management of natural resources is improved

3rd outcome: water resources are better managed

4.3 Mainstreaming

4.3.1. Climate change adaptation and environmental sustainability. The programme plans to contribute to climate change adaptation by improving the resilience of rural populations, maintaining the quality of their environment and resources, and increasing their livelihoods.

4.3.2. Gender issues. The programme will specifically target women who are de facto the main economic operators in the rural parts of the country.

4.3.3. Disaster risk reduction (DRR). DRR activities will prevent land degradation, promote reforestation and adapt water management in the upper watersheds.

4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG(s) 1: No poverty, while also contributing to SDG 2: Zero hunger, SDG 8: Decent work and economic growth, and SDG 13: Climate action. Interlinkages between SDGs will be addressed as described under 4.2. Intervention logic.

5. IMPLEMENTATION

5.1.Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with Tajikistan.

5.2.Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 96 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴.

5.3.1. Grants: (direct management)

(a) Purpose of the grants

The grants will contribute to achieve an improved management of natural resources (Specific Objective 2) and of water resources (Specific Objective 3).

(b) Type of applicants targeted In general, potential applicants for call for proposals under this action could be drawn from the International NGO community, which is reasonably well established in the country. In order to bundle forces and benefit from economy of scale and diverse expertise, a likely modality could be that of a consortia, capable to provide the envisaged support, geographic coverage and financial management. The essential selection criteria will be the operational and financial capacity of the applicant and potential co-applicants. The essential award criteria will be the relevance of the proposed action to the objectives of the call: design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. The relevant amount proposed will ensure the necessary impact both in terms of spatial outreach and duration.

5.3.2 Indirect management with a Member State Organisation

A part of this action may be implemented in indirect management with GIZ. This implementation entails mainly contribution towards Specific objective 1, however, given the integrated approach of this action, it will as well contribute to Specific Objectives 2 and 3. Given the broad coverage of the GIZ contract, this Member State Organization will also provide overall coordination of the action. This implementation entails support to the rural economy by increasing the added value of production and agriculture productivity through the adoption of innovative and sustainable practices, and assuring support to the central and local government for horizontal and vertical integration of Rural Development related policies.

The envisaged entity has been selected using the following criteria: GIZ has a long lasting successful record of cooperation with Tajikistan and the Tajik Government in the areas of a) sustainable economic development and employment creation (mainly in agriculture), b) trade facilitation, c) sustainable land use, forest management (including reforestation) and biodiversity

⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

preservation and reverts to a wide and firm network of partners and stakeholders in Tajikistan and Central Asia. GIZ has broad experience in testing and adapting successful comprehensive service/business development models through producer groups and cooperative structures and in delivering technical and financial (grant) support to rural communities. GIZ is supporting lead companies to produce and sell products with a higher added value. The entrusted entity will bring a number of key tools necessary for the effective implementation of rural development: access to grants as an incentive for investment and mitigating debt burden, support to rural services such as extension/technical advice, promotion of innovation in value chains, marketing assistance, and advice to improve governance of local institutions and regional interconnectivity.

This implementation modality will allow for a full harmonisation and synergy between the GIZ programme TRIGGER (Towards Rural Inclusive Growth and Economic Resilience) and the Rural Development Programme II. Both programmes offer additionality to each other as joint implementation will mutually reinforce each programme and enlarge the overall scope.

Additionality of budgets will reinforce potential impact of the whole action: funding by the German Government for TRIGGER 2 (2019-2021 confirmed BMZ finance of 9 M) and TRIGGER 3 (2022-2024 planned BMZ finance of 5 M).

On the policy side the implementation entails the establishment of an overarching national natural resource policy and planning component, linking practice in the field with national policies (including public finance policies), integrating information flows and cross-cutting issues. This will contribute to the harmonisation of the implementation of sector policies for rural development. Finally specific technical assistance will be provided at central and local level for the elaboration and implementation of river basin management plans within a country integrated river basins management system.

Given the framework role that GIZ will play in the implementation of the program, the contract will include a secretariat support that will enable the different stakeholders (including the EU) to properly participate to the successful steering process of the action.

5.3.3 Indirect management with an International Organisation

A part of this action may be implemented in indirect management with the World Bank. This implementation entails mainly contribution towards Specific Objective 3, while also improving the management of natural resources, hence indirectly contributing to Specific Objective 2. The implementation entails the rehabilitation of small scale and badly deteriorated on-farm irrigation canals, as well as repair flood damaged critical sections of on-farm irrigation canals. This will contribute to promote sustainable and efficient use of water.

The envisaged entity has been selected using the following criterias: i) the EU and the World Bank already had fruitful collaboration in the implementation of past interventions in support to irrigation management (see annex "assessment of the appropriateness of working with an international organisation/other implementing partner than the partner country"). ii) The WB is already implementing similar interventions in other river basins in Tajikistan. For the purpose it has established a PIU in the MoEWR that is already integrated in the ministry. Therefore working with the WB would ensure alignment with the ministry operational modality and automatic consistency with the overall water management plan of the government. If negotiations with the above-mentioned entity fail, that part of this action may be implemented in indirect management with the Asian Development Bank. The implementation by this alternative entity would be justified because since 1998, ADB has been helping Tajikistan to increase the supply of energy and create income-generating opportunities. ADB has also been supporting infrastructure rehabilitation and sector restructuring, and set up a mechanism for leverage reforms with existing assistance modalities.

5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.5.1. Component 1, composed of		
Indirect management with a Member State – cf. section 5.3.2	20.5 M	BMZ 9 M EUR to TRIGGER 2 (confirmed)
5.5.3. Component 2, composed of		
Grants: call for proposals (direct management) – cf. section 5.3.1	20 M	Grantees co-financing of 10% - 2M (confirmed)
5.5.3. – Component 3, composed of		
Indirect management with the World Bank – cf. section 5.3.3	17.5 M	
5.5.4– Evaluation, Audit	0.5 M	N.A.
5.5.5– Communication and visibility	0.5 M	N.A.
Totals	59 M EUR	11 M EUR (confirmed)

5.6. Organisational set-up and responsibilities

The EU Delegation will be responsible for all procurements of this programme. The Delegation will pay specific attention to the overall progress in achieving the objectives of the action fostering cooperation and synergies between the entities implementing its three components. It will be a contractual requirement for each entity in charge of implementation to ensure and demonstrate this cooperation. A specific requirement of the contract with GIZ will be the provision of the necessary secretariat support for the entire program implementation enabling an effective steering capacity for the EU and the government. Among the other activities the secretariat will ensure the formal

coordination of the three components through the organisation of steering committees at programme level twice a year.

The agricultural and environment protection department of the Executive office of the President of the Republic of Tajikistan will provide strategic directions for the overall implementation of the programme in coordination with the EU Delegation.

5.7. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner's strategy, policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The report shall be laid out in such a way as to allow the monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8. Evaluation

Having regards to the importance of the action, a rights-based and gender-sensitive mid-term and a final evaluation will be carried out for this action or its components via independent consultants. The mid-term evaluation will be carried out for learning purposes, in particular with respect to the harmonisation between components and adaptation to market developments.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that an end-term evaluation is of importance for the support to formulation of lessons learnt for neighbouring programmes, and for a potential third phase of the action.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Evaluation services may be concluded under a framework contract.

5.9. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

5.10. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX ⁵

	Results chain	Indicators	Sources and means of verification	Assumptions
Impact (Overall objective)	Improvement of rural livelihood	1. Percentage of population living below the poverty line** (EURF level 1 #1) – disaggregated by sex 2. Food security index 3. food and nutrition security status** (EURF level 1 #9) 4. Average per capita income in targeted regions** (EURF level 1 #2) – disaggregated by sex	National statistics NDS monitoring Yearly publication https://foodsecurityindex.eiu.com/ Household survey, national statistics, donor studies	
Outcomes (Specific objectives)	1. to boost added value of agricultural production 2. to improve management of natural resources 3. to promote sustainable and efficient use of water	For specific products*: 1.1 yield 1.2. farm 1.3 farm income 1.4 economic efficiency of processing companies 1.5 initiatives of export promotion 2..1.Area covered by implemented watershed management plans under IWRM** (EURF level 2 #6) (EURF level 2 #9) and (EURF level 2 #24) 2.2 Basin area covered by conservation measures ** (EURF level 2 #6) 3.1. area of land under improved irrigation in targeted regions* 3.2. water losses in targeted infrastructure* 3.3. Fee for water delivery (including losses) *	Project reports ROM reports Mid-term evaluations procured by the EUD Field monitoring by MoA and MoEWR Coordination meetings between MoA, MoWER, related agencies with the donor community National statistics Donor reviews	GoT remains committed to the strategic goals of the NDS. Political stability. Economic stability. Gender related national policies are implemented

⁵ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Outputs	Component 1 1.1 Selected value chains are enhanced	1.1.1. Number of Supported MSME including small farms in selected rural areas have increased their annual income of 15% (25 % are women led).* 1.1.2 Number of value chain analysis through qualitative and/or quantitative research** (EURF level 2 #7) .1.3.1 Number of processing companies which improved the preconditions for economic efficiency in two of the following categories: Cost-to-output Ratio, better quality of products (inputs), higher prices (output), use of new technologies, higher qualified employees. 1.4.1 Number of SMEs that are using supported activities for export promotion, have been successfully initiated initiatives to export in new markets through one of the following activities: tender proposal, contracts, orders, deliveries.	Interview, questionnaires, observation, field surveys, project documents, MoA and MoEWR verifications,	MoA supports agrarian reform. Banking regulations allow banks and micro-finance institutions to expand activities in the rural regions. Local authorities are technically and financially able to accompany local development Good cooperation between projects and local administrations
	1.2. Rural actors are able to present convincing credit applications. 1.3. Extension professionals are trained to promote innovation and climate-resilient practices in farming sector. 1.4. District development plans are developed. 1.5 Sector policies for rural development are implemented 1.6 National and local administrations have improved capacity for policy	1.2.1 Number of successful credit applications * 1.3.1 Number of extensionists delivering innovative practices ** (EURF level 2 #7) 1.4.1. Number of plans meeting quality standards of the project * 1.5.1 Number of enacted policy documents at national and local level * 1.5.2. Policies meeting quality standards of the project * 1.6.1 Number of action plans developed and enacted 1.6.2 Number of relevant national policies integrated		

	making and implementation	into regional and local strategic development processes;		
	<p>Component 2</p> <p>2.1. Sustainable production practices are promoted among rural communities</p> <p>2.2. Watershed management plans under IWRM are prepared and implemented</p> <p>2.3. Communities are advised for improved diet balance (<i>output contributing to the preparation of the watershed management plans</i>)</p> <p>2.4. Access to safe drinking water is improved (<i>output contributing to the preparation of the watershed management plans</i>)</p> <p>Component 3</p> <p>3.1. IWRM institutions are established in selected basins</p> <p>3.2. Capacity building in IWRM planning, implementation and regulation is delivered</p> <p>3.3. Irrigation and drainage infrastructure are rehabilitated</p> <p>3.4. Measurement equipment is installed</p>	<p>2.1.1 Number of farmers having adopted those practices** (EURF level 2 #25)</p> <p>2.2.1 Number of plans meeting quality standards of the project enacted by local authorities** (EURF level 2 #6)</p> <p>2.3.1 Number of household having better diet balance** (EURF level 2 #9)</p> <p>2.4.1 Number of people having access to safe drinking water in the targeted areas*</p> <p>3.1.1 RBO and RBC operational in Zarafshan*</p> <p>3.1.2 RBO and RBC set-up in Vakhsh*</p> <p>3.1.3. Number of operational WUAs in the selected basins*</p> <p>3.2.1 Performance, adaptability and stability of the institutions*</p> <p>3.3.1 Length of infrastructure rehabilitated*</p> <p>3.4.1 Quantity and type of equipment *</p>	<p>Interview, questionnaires, observation, field surveys, project documents, national statistics</p> <p>MoA and MoEWR verifications,</p>	<p>MoEWR remains committed to IWRM.</p> <p>Progress in legislation (water code, WUAs) enabling IWRM implementation</p>